

Filing Status ☐ Single ☒ Married filing jointly ☐ Married filing separately (MFS) ☐ Head of household (HOH) ☐ Qualifying surviving spouse (QSS)
Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent:

Your first name and middle initial Last name Your social security number
RAFAEL M. HERNANDEZ ***-**-****

If joint return, spouse's first name and middle initial Last name Spouse's social security number
SONIA R. HERNANDEZ ***-**-****

Home address (number and street). If you have a P.O. box, see instructions. Apt. no.
City, town, or post office. If you have a foreign address, also complete spaces below. State ZIP code
Foreign country name Foreign province/state/county Foreign postal code

Presidential Election Campaign
Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.

☒ You ☒ Spouse

Digital Assets At any time during 2022, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, gift, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.) ☐ Yes ☒ No

Standard Deduction Someone can claim: ☐ You as a dependent ☐ Your spouse as a dependent ☐ Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness You: ☐ Were born before January 2, 1958 ☐ Are blind Spouse: ☐ Was born before January 2, 1958 ☐ Is blind

Dependents (see instructions):		(2) Social security number	(3) Relationship to you	(4) Check the box if qualifies for (see instructions):	
If more than four dependents, see instructions and check here . . . ☐	(1) First name Last name			Child tax credit	Credit for other dependents
				☐	☐
				☐	☐
				☐	☐
				☐	☐

Income Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld. If you did not get a Form W-2, see instructions.	1 a	Total amount from Form(s) W-2, box 1 (see instructions)	1a	
	b	Household employee wages not reported on Form(s) W-2	1b	
	c	Tip income not reported on line 1a (see instructions)	1c	
	d	Medicaid waiver payments not reported on Form(s) W-2 (see instructions)	1d	
	e	Taxable dependent care benefits from Form 2441, line 26	1e	
	f	Employer-provided adoption benefits from Form 8839, line 29	1f	
	g	Wages from Form 8919, line 6	1g	
	h	Other earned income (see instructions)	1h	
	i	Nontaxable combat pay election (see instructions)	1i	
	z	Add lines 1a through 1h	1z	

Attach Sch. B if required.	2a	Tax-exempt interest.....	2a		b	Taxable interest.....	2b	29
	3a	Qualified dividends.....	3a		b	Ordinary dividends.....	3b	
	4a	IRA distributions.....	4a		b	Taxable amount.....	4b	
	5a	Pensions and annuities.....	5a		b	Taxable amount.....	5b	
	6a	Social security benefits.....	6a	14,136.	b	Taxable amount.....	6b	12,016
	c	If you elect to use the lump-sum election method, check here (see instructions).....		☐				
	7	Capital gain or (loss). Attach Schedule D if required. If not required, check here.....		☐			7	76,155
	8	Other income from Schedule 1, line 10.....					8	-125
	9	Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income					9	88,075
	10	Adjustments to income from Schedule 1, line 26.....					10	7,834
	11	Subtract line 10 from line 9. This is your adjusted gross income					11	80,241
	12	Standard deduction or itemized deductions (from Schedule A).....					12	25,900
	13	Qualified business income deduction from Form 8995 or Form 8995-A.....					13	
	14	Add lines 12 and 13.....					14	25,900
	15	Subtract line 14 from line 11. If zero or less, enter -0-. This is your taxable income					15	54,341

Standard Deduction for — • Single or Married filing separately, \$12,950 • Married filing jointly or Qualifying surviving spouse, \$25,900 • Head of household, \$19,400 • If you checked any box under Standard Deduction , see instructions.
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Tax and Credits	16	Tax (see instructions). Check if any from Form(s): ☐ 8814	16	6,108.
		☐ 4972 ☐ 3		
	17	Amount from Schedule 2, line 3	17	1,513.
	18	Add lines 16 and 17	18	7,621.
	19	Child tax credit or credit for other dependents from Schedule 8812	19	
	20	Amount from Schedule 3, line 8	20	
	21	Add lines 19 and 20	21	0.
	22	Subtract line 21 from line 18. If zero or less, enter -0-	22	7,621.
23	Other taxes, including self-employment tax, from Schedule 2, line 21	23	11,668.	
24	Add lines 22 and 23. This is your total tax	24	19,289.	

Payments	25	Federal income tax withheld from:	
	a	Form(s) W-2	25a
	b	Form(s) 1099	25b
	c	Other forms (see instructions)	25c
	d	Add lines 25a through 25c	25d
	26	2022 estimated tax payments and amount applied from 2021 return	26
	27	Earned income credit (EIC)	27
	28	Additional child tax credit from Schedule 8812	28
	29	American opportunity credit from Form 8863, line 8	29
	30	Reserved for future use	30
31	Amount from Schedule 3, line 15	31	
32	Add lines 27, 28, 29, and 31. These are your total other payments and refundable credits	32	
33	Add lines 25d, 26, and 32. These are your total payments	33	0.

Refund	34	If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid	34	
	35a	Amount of line 34 you want refunded to you . If Form 8888 is attached, check here. ☐	35a	
	b	Routing number	c Type: ☐ Checking ☐ Savings	
	d	Account number		
36	Amount of line 34 you want applied to your 2023 estimated tax	36		
Amount You Owe	37	Subtract line 33 from line 24. This is the amount you owe . For details on how to pay, go to www.irs.gov/Payments or see instructions.	37	19,419.
	38	Estimated tax penalty (see instructions)	38	130.

Third Party Designee	Do you want to allow another person to discuss this return with the IRS? See instructions ☒ Yes. Complete below. ☐ No		
	Designee's name	Phone no.	Personal Identification number (PIN)
	Michael Drews CPA	(805) 495-4211	

Sign Here	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
	Your signature	Date	Your occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
	Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	If the IRS sent your spouse an Identity Protection PIN, enter it here (see inst.)
	Phone no.	Email address		

Paid Preparer Use Only	Preparer's name	Preparer's signature	Date	PTIN	Check if: ☐ Self-employed
	Michael Drews CPA	Michael Drews CPA	4/27/23	P00450009	
	Firm's name	Firm's address			Phone no.
	Michael Drews CPA Tax and Wealth Planner	400 Rosewood Avenue Suite 200 Camarillo, CA 93010			805-484-4008
				Firm's EIN	87-2175753

SCHEDULE 1
(Form 1040)

Department of the Treasury
Internal Revenue Service

Additional Income and Adjustments to Income

Attach to Form 1040, 1040-SR, or 1040-NR.
Go to www.irs.gov/Form1040 for instructions and the latest information.

OMB No. 1545-0074

2022

Attachment
Sequence No. 01

Name(s) shown on Form 1040, 1040-SR, or 1040-NR

RAFAEL M. AND SONIA R. HERNANDEZ

Your social security number

-**-*

Part I Additional Income

1	Taxable refunds, credits, or offsets of state and local income taxes	1	
2a	Alimony received	2a	
b	Date of original divorce or separation agreement (see instructions):		
3	Business income or (loss). Attach Schedule C	3	82,579.
4	Other gains or (losses). Attach Form 4797	4	
5	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	5	-51,852.
6	Farm income or (loss). Attach Schedule F	6	-48,346.
7	Unemployment compensation	7	
8	Other income:		
a	Net operating loss	8a	()
b	Gambling	8b	
c	Cancellation of debt	8c	
d	Foreign earned income exclusion from Form 2555	8d	()
e	Income from Form 8853	8e	
f	Income from Form 8889		
g	Alaska Permanent Fund dividends	8g	
h	Jury duty pay	8h	
i	Prizes and awards	8i	
j	Activity not engaged in for profit income	8j	
k	Stock options	8k	
l	Income from the rental of personal property if you engaged in the rental for profit but were not in the business of renting such property	8l	
m	Olympic and Paralympic medals and USOC prize money (see instructions) ..	8m	
n	Section 951(a) inclusion (see instructions)	8n	
o	Section 951A(a) inclusion (see instructions)	8o	
p	Section 461(l) excess business loss adjustment	8p	
q	Taxable distributions from an ABLE account (see instructions)	8q	
r	Scholarship and fellowship grants not reported on Form W-2	8r	
s	Nontaxable amount of Medicaid waiver payments included on Form 1040, line 1a or 1d	8s	()
t	Pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan	8t	
u	Wages earned while incarcerated	8u	
z	Other income. List type and amount: <u>See Statement 1</u>	8z	17,494.
9	Total other income. Add lines 8a through 8z	9	17,494.
10	Combine lines 1 through 7 and 9. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 8	10	-125.

Part II Adjustments to Income

11	Educator expenses	11	
12	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106	12	
13	Health savings account deduction. Attach Form 8889	13	
14	Moving expenses for members of the Armed Forces. Attach Form 3903	14	
15	Deductible part of self-employment tax. Attach Schedule SE	15	5,834.
16	Self-employed SEP, SIMPLE, and qualified plans	16	
17	Self-employed health insurance deduction	17	
18	Penalty on early withdrawal of savings	18	
19a	Alimony paid	19a	
b	Recipient's SSN		
c	Date of original divorce or separation agreement (see instructions):		
20	IRA deduction	20	2,000.
21	Student loan interest deduction	21	
22	Reserved for future use	22	
23	Archer MSA deduction	23	
24	Other adjustments:		
a	Jury duty pay (see instructions)	24a	
b	Deductible expenses related to income reported on line 8 from the rental of personal property engaged in for profit	24b	
c	Nontaxable amount of the value of Olympic and Paralympic medals and USOC prize money reported on line 8	24c	
d	Reforestation amortization and expenses	24d	
e	Repayment of supplemental unemployment benefits under the Trade Act of 1974	24e	
f	Contributions to section 501(c)(18)(D) pension plans	24f	
g	Contributions by certain chaplains to section 403(b) plans	24g	
h	Attorney fees and court costs for actions involving certain unlawful discrimination claims (see instructions)	24h	
i	Attorney fees and court costs you paid in connection with an award from the IRS for information you provided that helped the IRS detect tax law violations	24i	
j	Housing deduction from Form 2555	24j	
k	Excess deductions of section 67(e) expenses from Schedule K-1 (Form 1041)	24k	
z	Other adjustments. List type and amount:	24z	
25	Total other adjustments. Add lines 24a through 24z	25	
26	Add lines 11 through 23 and 25. These are your adjustments to income . Enter here and on Form 1040 or 1040-SR, line 10, or Form 1040-NR, line 10a	26	7,834.

Schedule 1 (Form 1040) 2022

SCHEDULE 2
(Form 1040)

Department of the Treasury
Internal Revenue Service

Additional Taxes

Attach to Form 1040, 1040-SR, or 1040-NR.
Go to www.irs.gov/Form1040 for instructions and the latest information.

OMB No. 1545-0074

2022

Attachment
Sequence No. **02**

Name(s) shown on Form 1040, 1040-SR, or 1040-NR

RAFAEL M. AND SONIA R. HERNANDEZ

Your social security number

-**-*

Part I Tax

1	Alternative minimum tax. Attach Form 6251	1	0.
2	Excess advance premium tax credit repayment. Attach Form 8962	2	1,513.
3	Add lines 1 and 2. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 17	3	1,513.

Part II Other Taxes

4	Self-employment tax. Attach Schedule SE	4	11,668.
5	Social security and Medicare tax on unreported tip income. Attach Form 4137	5	
6	Uncollected social security and Medicare tax on wages. Attach Form 8919	6	
7	Total additional social security and Medicare tax. Add lines 5 and 6	7	
8	Additional tax on IRAs or other tax-favored accounts. Attach Form 5329 if required. If not required, check here ☐	8	
9	Household employment taxes. Attach Schedule H	9	
10	Repayment of first-time homebuyer credit. Attach Form 5405 if required	10	
11	Additional Medicare Tax. Attach Form 8959	11	
12	Net investment income tax. Attach Form 8960	12	
13	Uncollected social security and Medicare or RRTA tax on tips or group-term life insurance from Form W-2, box 12	13	
14	Interest on tax due on installment income from the sale of certain residential lots and timeshares	14	
15	Interest on the deferred tax on gain from certain installment sales with a sales price over \$150,000	15	
16	Recapture of low-income housing credit. Attach Form 8611	16	

(continued on page 2)

BAA For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule 2 (Form 1040) 2022

Part II Other Taxes (continued)

17	Other additional taxes:		
a	Recapture of other credits. List type, form number, and amount:	17a	
b	Recapture of federal mortgage subsidy, if you sold your home see instructions.	17b	
c	Additional tax on HSA distributions. Attach Form 8889.	17c	
d	Additional tax on an HSA because you didn't remain an eligible individual. Attach Form 8889.	17d	
e	Additional tax on Archer MSA distributions. Attach Form 8853.	17e	
f	Additional tax on Medicare Advantage MSA distributions. Attach Form 8853.	17f	
g	Recapture of a charitable contribution deduction related to a fractional interest in tangible personal property.	17g	
h	Income you received from a nonqualified deferred compensation plan that fails to meet the requirements of section 409A.	17h	
i	Compensation you received from a nonqualified deferred compensation plan described in section 457A.	17i	
j	Section 72(m)(5) excess benefits tax.	17j	
k	Golden parachute payments.	17k	
l	Tax on accumulation distribution of trusts.	17l	
m	Excise tax on insider stock compensation from an expatriated corporation.	17m	
n	Look-back interest under section 167(g) or 460(b) from Form 8697 or 8866.	17n	
o	Tax on non-effectively connected income for any part of the year you were a nonresident alien from Form 1040-NR.	17o	
p	Any interest from Form 8621, line 16f, relating to distributions from, and dispositions of, stock of a section 1291 fund.	17p	
q	Any interest from Form 8621, line 24.	17q	
z	Any other taxes. List type and amount.	17z	
18	Total additional taxes. Add lines 17a through 17z.		18
19	Reserved for future use.		19
20	Section 965 net tax liability installment from Form 965-A.	20	
21	Add lines 4, 7 through 16, and 18. These are your total other taxes . Enter here and on Form 1040 or 1040-SR, line 23, or Form 1040-NR, line 23b.		21 11,668.

Schedule 2 (Form 1040) 2022

SCHEDULE C
(Form 1040)

Department of the Treasury
Internal Revenue Service

Profit or Loss From Business
(Sole Proprietorship)

Go to www.irs.gov/ScheduleC for instructions and the latest information.
Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships must generally file Form 1065.

OMB No. 1545-0074

2022

Attachment
Sequence No. **09**

Name of proprietor SONIA R. HERNANDEZ		Social security number (SSN) ***-**-****
A Principal business or profession, including product or service (see instructions) STYLIST	B Enter code from instructions 812112	
C Business name. If no separate business name, leave blank. COCO'S HAIR DESIGNS	D Employer ID number (EIN) (see instr.)	
E Business address (including suite or room no.) City, town or post office, state, and ZIP code		
F Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify)		
G Did you "materially participate" in the operation of this business during 2022? If "No," see instructions for limit on losses. ☒ Yes ☐ No		
H If you started or acquired this business during 2022, check here		
I Did you make any payments in 2022 that would require you to file Form(s) 1099? See instructions. ☐ Yes ☒ No		
J If "Yes," did you or will you file required Form(s) 1099? ☐ Yes ☐ No		

Part I Income

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked ☐	1	113,378.
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	113,378.
4 Cost of goods sold (from line 42)	4	
5 Gross profit. Subtract line 4 from line 3	5	113,378.
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7 Gross income. Add lines 5 and 6	7	113,378.

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising	8		18 Office expense (see instructions)	18	394.
9 Car and truck expenses (see instructions)	9	3,026.	19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11		a Vehicles, machinery, and equipment	20a	
12 Depletion	12		b Other business property	20b	9,600.
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	192.	21 Repairs and maintenance	21	6,830.
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	4,900.
15 Insurance (other than health)	15		23 Taxes and licenses	23	
16 Interest (see instr.):			24 Travel and meals:		
a Mortgage (paid to banks, etc.)	16a		a Travel	24a	
b Other	16b		b Deductible meals (see instructions)	24b	
17 Legal and professional services	17		25 Utilities	25	2,757.
			26 Wages (less employment credits)	26	
			27a Other expenses (from line 48)	27a	
			b Reserved for future use	27b	
28 Total expenses before expenses for business use of home. Add lines 8 through 27a	28	27,699.			
29 Tentative profit or (loss). Subtract line 28 from line 7	29	85,679.			
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method. See instructions. Simplified method filers only: Enter the total square footage of (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30	3,100.			
31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Schedule 1 (Form 1040), line 3 , and on Schedule SE, line 2 . (If you checked the box on line 1, see instructions.) Estates and trusts, enter on Form 1041, line 3 . • If a loss, you must go to line 32.	31	82,579.			

32 If you have a loss, check the box that describes your investment in this activity. See instructions.

 • If you checked 32a, enter the loss on both **Schedule 1 (Form 1040), line 3**, and on **Schedule SE, line 2**. (If you checked the box on line 1, see the line 31 instructions.) Estates and trusts, enter on **Form 1041, line 3**.

 • If you checked 32b, you **must** attach **Form 6198**. Your loss may be limited.

32a ☐ All investment is at risk.

32b ☐ Some investment is not at risk.

Part III Cost of Goods Sold (see instructions)

33	Method(s) used to value closing inventory: a ☐ Cost b ☐ Lower of cost or market c ☐ Other (attach explanation)	
34	Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation	☐ Yes ☐ No
35	Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35
36	Purchases less cost of items withdrawn for personal use	36
37	Cost of labor. Do not include any amounts paid to yourself	37
38	Materials and supplies	38
39	Other costs	39
40	Add lines 35 through 39	40
41	Inventory at end of year	41
42	Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on line 4	42

Part IV Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43	When did you place your vehicle in service for business purposes? (month/day/year)	3/05/04
44	Of the total number of miles you drove your vehicle during 2022, enter the number of miles you used your vehicle for: a Business 5,000 b Commuting (see instructions) 500 c Other 7,500	
45	Was your vehicle available for personal use during off-duty hours?	☒ Yes ☐ No
46	Do you (or your spouse) have another vehicle available for personal use?	☒ Yes ☐ No
47a	Do you have evidence to support your deduction?	☒ Yes ☐ No
	b If "Yes," is the evidence written?	☒ Yes ☐ No

Part V Other Expenses. List below business expenses not included on lines 8-26 or line 30.

48	Total other expenses. Enter here and on line 27a	48
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SCHEDULE D
(Form 1040)

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

Attach to Form 1040, 1040-SR, or 1040-NR.

Go to www.irs.gov/ScheduleD for instructions and the latest information.
Use Form 8949 to list your transactions for lines 1b, 2, 3, 8b, 9, and 10.

OMB No. 1545-0074

2022

Attachment
Sequence No. **12**

Name(s) shown on return

RAFAEL M. AND SONIA R. HERNANDEZ

Your social security number

-**-*

Did you dispose of any investment(s) in a qualified opportunity fund during the tax year? ☐ Yes ☒ No

If "Yes," attach Form 8949 and see its instructions for additional requirements for reporting your gain or loss.

Part I Short-Term Capital Gains and Losses — Generally Assets Held One Year or Less (see instructions)

See instructions for how to figure the amounts to enter on the lines below.

This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
1a Totals for all short-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 1b.....				
1b Totals for all transactions reported on Form(s) 8949 with Box A checked.....				
2 Totals for all transactions reported on Form(s) 8949 with Box B checked.....				
3 Totals for all transactions reported on Form(s) 8949 with Box C checked.....				
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824.....				4
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1....				5
6 Short-term capital loss carryover. Enter the amount, if any, from line 3 of your Capital Loss Carryover Worksheet in the instructions.....				6 ()
7 Net short-term capital gain or (loss). Combine lines 1a through 6 in column (h). If you have any long-term capital gains or losses, go to Part II below. Otherwise, go to Part III on the back.....				7

Part II Long-Term Capital Gains and Losses — Generally Assets Held More Than One Year (see instructions)

See instructions for how to figure the amounts to enter on the lines below.

This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part II, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
8a Totals for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 8b.....				
8b Totals for all transactions reported on Form(s) 8949 with Box D checked.....				
9 Totals for all transactions reported on Form(s) 8949 with Box E checked.....				
10 Totals for all transactions reported on Form(s) 8949 with Box F checked.....	46,057.	93,054.		-46,997.
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824.....				11 123,152.
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1....				12
13 Capital gain distributions. See the instrs.....				13
14 Long-term capital loss carryover. Enter the amount, if any, from line 13 of your Capital Loss Carryover Worksheet in the instructions.....				14 ()
15 Net long-term capital gain or (loss). Combine lines 8a through 14 in column (h). Then, go to Part III on the back.....				15 76,155.

Part III Summary

16 Combine lines 7 and 15 and enter the result	16	76,155.
• If line 16 is a gain, enter the amount from line 16 on Form 1040, 1040-SR, or 1040-NR, line 7. Then, go to line 17 below. • If line 16 is a loss, skip lines 17 through 20 below. Then, go to line 21. Also be sure to complete line 22. • If line 16 is zero, skip lines 17 through 21 below and enter -0- on Form 1040, 1040-SR, or 1040-NR, line 7. Then, go to line 22.		
17 Are lines 15 and 16 both gains? ☒ Yes. Go to line 18. ☐ No. Skip lines 18 through 21, and go to line 22.		
18 If you are required to complete the 28% Rate Gain Worksheet (see instructions), enter the amount, if any, from line 7 of that worksheet	18	0.
19 If you are required to complete the Unrecaptured Section 1250 Gain Worksheet (see instructions), enter the amount, if any, from line 18 of that worksheet	19	79,122.
20 Are lines 18 and 19 both zero or blank and you are not filing Form 4952? ☐ Yes. Complete the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 16. Don't complete lines 21 and 22 below. ☒ No. Complete the Schedule D Tax Worksheet in the instructions. Don't complete lines 21 and 22 below.		
21 If line 16 is a loss, enter here and on Form 1040, 1040-SR, or 1040-NR, line 7, the smaller of: • The loss on line 16; or • (\$3,000), or if married filing separately, (\$1,500)	21	()
Note: When figuring which amount is smaller, treat both amounts as positive numbers.		
22 Do you have qualified dividends on Form 1040, 1040-SR, or 1040-NR, line 3a? ☐ Yes. Complete the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 16. ☐ No. Complete the rest of Form 1040, 1040-SR, or 1040-NR.		

Schedule D (Form 1040) 2022

Name(s) shown on return. Name and SSN or taxpayer identification no. not required if shown on other side

SSN or taxpayer identification number

RAFAEL M. AND SONIA R. HERNANDEZ

-**-*

Before you check Box D, E, or F below, see whether you received any Form(s) 1099-B or substitute statement(s) from your broker. A substitute statement will have the same information as Form 1099-B. Either will show whether your basis (usually your cost) was reported to the IRS by your broker and may even tell you which box to check.

Part II **Long-Term.** Transactions involving capital assets you held more than 1 year are generally long-term (see instructions). For short-term transactions, see page 1.

Note: You may aggregate all long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS and for which no adjustments or codes are required. Enter the totals directly on Schedule D, line 8a; you aren't required to report these transactions on Form 8949 (see instructions).

You must check Box D, E, or F below. Check only one box. If more than one box applies for your long-term transactions, complete a separate Form 8949, page 2, for each applicable box. If you have more long-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need.

- ☐ (D) Long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS (see **Note** above)
- ☐ (E) Long-term transactions reported on Form(s) 1099-B showing basis **wasn't** reported to the IRS
- ☒ (F) Long-term transactions not reported to you on Form 1099-B

1	(a) Description of property (Example: 100 shares XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold or disposed of (Mo., day, yr.)	(d) Proceeds (sales price) (see instructions)	(e) Cost or other basis See the Note below and see Column (e) in the separate instructions.	Adjustment, if any, to gain or loss If you enter an amount in column (g), enter a code in column (f). See the separate instructions.		(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g).
						(f) Code(s) from instructions	(g) Amount of adjustment	
	LOSS ON DISPOSITION	1/31/06	7/07/22	46,057.	93,054.			-46,997.
2 Totals. Add the amounts in columns (d), (e), (g), and (h) (subtract negative amounts). Enter each total here and include on your Schedule D, line 8b (if Box D above is checked), line 9 (if Box E above is checked), or line 10 (if Box F above is checked).				46,057.	93,054.		0.	-46,997.

Note: If you checked Box D above but the basis reported to the IRS was incorrect, enter in column (e) the basis as reported to the IRS, and enter an adjustment in column (g) to correct the basis. See **Column (g)** in the separate instructions for how to figure the amount of the adjustment.

SCHEDULE E
(Form 1040)

Department of the Treasury
Internal Revenue Service

Name(s) shown on return

Supplemental Income and Loss

(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)

Attach to Form 1040, 1040-SR, 1040-NR, or 1041.

Go to www.irs.gov/ScheduleE for instructions and the latest information.

OMB No. 1545-0074

2022

Attachment
Sequence No. **13**

RAFAEL M. AND SONIA R. HERNANDEZ

Your social security number

-**-*

Part I **Income or Loss From Rental Real Estate and Royalties**

Note: If you are in the business of renting personal property, use **Schedule C**. See instructions. If you are an individual, report farm rental income or loss from **Form 4835** on page 2, line 40.

- A** Did you make any payments in 2022 that would require you to file Form(s) 1099? See instructions. ☒ Yes ☐ No
B If "Yes," did you or will you file required Form(s) 1099? ☒ Yes ☐ No

1 a Physical address of each property (street, city, state, ZIP code)

A	██████████ 6
B	
C	

1 b Type of Property (from list below)		Fair Rental Days	Personal Use Days	QJV
A	4			
B	6			
C				

2 For each rental real estate property listed above, report the number of fair rental and personal use days. Check the **QJV** box only if you meet the requirements to file as a qualified joint venture. See instructions.

Type of Property:

- | | | | |
|---------------------------|------------------------------|-------------|--------------------------|
| 1 Single Family Residence | 3 Vacation/Short-Term Rental | 5 Land | 7 Self-Rental |
| 2 Multi-Family Residence | 4 Commercial | 6 Royalties | 8 Other (describe) _____ |

Income:

		Properties:		
		A	B	C
3 Rents received.....	3			
4 Royalties received.....	4		45.	

Expenses:

5 Advertising.....	5			
6 Auto and travel (see instructions).....	6			
7 Cleaning and maintenance.....	7			
8 Commissions.....	8			
9 Insurance.....	9			
10 Legal and other professional fees.....	10			
11 Management fees.....	11			
12 Mortgage interest paid to banks, etc. (see instructions).....	12	5,250.		
13 Other interest.....	13			
14 Repairs.....	14	32,400.		
15 Supplies.....	15			
16 Taxes.....	16	2,447.		
17 Utilities.....	17			
18 Depreciation expense or depletion.....	18			
19 Other (list) <u>See Stmt 2</u>	19	11,800.		
20 Total expenses. Add lines 5 through 19.....	20	51,897.		

21 Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198	21	-51,897.	45.	
--	-----------	----------	-----	--

22 Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions).....	22	(51,897.X)		
--	-----------	--------------	--	--

23 a Total of all amounts reported on line 3 for all rental properties.....	23a			
b Total of all amounts reported on line 4 for all royalty properties.....	23b		45.	
c Total of all amounts reported on line 12 for all properties.....	23c		5,250.	
d Total of all amounts reported on line 18 for all properties.....	23d			
e Total of all amounts reported on line 20 for all properties.....	23e		51,897.	

24 Income. Add positive amounts shown on line 21. Do not include any losses.....	24		45.	
---	-----------	--	-----	--

25 Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here....	25	(51,897.)		
--	-----------	-------------	--	--

26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Schedule 1 (Form 1040), line 5. Otherwise, include this amount in the total on line 41 on page 2.....	26		-51,852.	
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BAA For Paperwork Reduction Act Notice, see the separate instructions.

Schedule E (Form 1040) 2022

SCHEDULE F
(Form 1040)

Department of the Treasury
Internal Revenue Service

Name of proprietor

Profit or Loss From Farming

Attach to Form 1040, Form 1040-SR, Form 1040-NR, Form 1041, or Form 1065.
Go to www.irs.gov/ScheduleF for instructions and the latest information.

OMB No. 1545-0074

2022

Attachment
Sequence No. **14**

RAFAEL M. HERNANDEZ

Social security number (SSN)

-**-*

A Principal crop or activity

B Enter code from Part IV

C Accounting method:

D Employer ID number (EIN) (see instr.)

AVOCADOS -

111300

☒ Cash

☐ Accrual

E Did you 'materially participate' in the operation of this business during 2022? If 'No,' see instructions for limit on passive losses ☒ Yes ☐ No

F Did you make any payments in 2022 that would require you to file Form(s) 1099? See instructions. ☒ Yes ☐ No

G If 'Yes,' did you or will you file required Form(s) 1099? ☒ Yes ☐ No

Part I Farm Income — Cash Method. Complete Parts I and II. (Accrual method. Complete Parts II and III, and Part I, line 9.)

1a Sales of purchased livestock and other resale items (see instructions)	1a	
b Cost or other basis of purchased livestock or other items reported on line 1a	1b	
c Subtract line 1b from line 1a		1c
2 Sales of livestock, produce, grains, and other products you raised		2
3a Cooperative distributions (Form(s) 1099-PATR)	3a	3b Taxable amount
4a Agricultural program payments (see instructions)	4a	4b Taxable amount
5a Commodity Credit Corporation (CCC) loans reported under election		5a
b CCC loans forfeited	5b	5c Taxable amount
6 Crop insurance proceeds and federal crop disaster payments (see instructions):		
a Amount received in 2022	6a	6b Taxable amount
c If election to defer to 2023 is attached, check here. ☐		6d Amount deferred from 2021
7 Custom hire (machine work) income		7
8 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)		8
9 Gross income. Add amounts in the right column (lines 1c, 2, 3b, 4b, 5a, 5c, 6b, 7, and 8). If you use the accrual method, enter the amount from Part III, line 50. See instructions.		9

Part II Farm Expenses — Cash and Accrual Method. Do not include personal or living expenses. See instructions.

10 Car and truck expenses (see instructions). Also attach Form 4562	10		23 Pension and profit-sharing plans	23	
11 Chemicals	11		24 Rent or lease (see instructions):		
12 Conservation expenses (see instructions)	12		a Vehicles, machinery, equipment	24a	
13 Custom hire (machine work)	13		b Other (land, animals, etc.)	24b	
14 Depreciation and section 179 expense (see instructions)	14		25 Repairs and maintenance	25	
15 Employee benefit programs other than on line 23	15		26 Seeds and plants	26	
16 Feed	16		27 Storage and warehousing	27	
17 Fertilizers and lime	17		28 Supplies	28	22,470.
18 Freight and trucking	18		29 Taxes	29	8,600.
19 Gasoline, fuel, and oil	19		30 Utilities	30	
20 Insurance (other than health)	20		31 Veterinary, breeding, and medicine	31	
21 Interest (see instructions):			32 Other expenses (specify):		
a Mortgage (paid to banks, etc.)	21a	11,082.	a Amortization	32a	394.
b Other	21b		b WEED ABATEMENT	32b	5,800.
22 Labor hired (less employment credits)	22		c	32c	
			d	32d	
			e	32e	
			f	32f	
33 Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions	33				48,346.
34 Net farm profit or (loss). Subtract line 33 from line 9.	34				-48,346.

35 Reserved for future use.

36 Check the box that describes your investment in this activity and see instructions for where to report your loss:

a ☒ All investment is at risk.

b ☐ Some investment is not at risk.

SCHEDULE SE
(Form 1040)

Department of the Treasury
Internal Revenue Service

Self-Employment Tax

Go to www.irs.gov/ScheduleSE for instructions and the latest information.
Attach to Form 1040, 1040-SR, or 1040-NR.

OMB No. 1545-0074

2022

Attachment
Sequence No. **17**

Name of person with self-employment income (as shown on Form 1040, 1040-SR, or 1040-NR)

Social security number of person
with self-employment income

-**-*

SONIA R. HERNANDEZ

Part I Self-Employment Tax

Note: If your only income subject to self-employment tax is **church employee income**, see instructions for how to report your income and the definition of church employee income.

- A** If you are a minister, member of a religious order, or Christian Science practitioner **and** you filed Form 4361, but you had \$400 or more of **other** net earnings from self-employment, check here and continue with Part I. ☐

Skip lines 1a and 1b if you use the farm optional method in Part II. See instructions.

- 1 a** Net farm profit or (loss) from Schedule F, line 34, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A
- b** If you received social security retirement or disability benefits, enter the amount of Conservation Reserve Program payments included on Schedule F, line 4b, or listed on Schedule K-1 (Form 1065), box 20, code AH

1 a

1 b

Skip line 2 if you use the nonfarm optional method in Part II. See instructions.

- 2** Net profit or (loss) from Schedule C, line 31; and Schedule K-1 (Form 1065), box 14, code A (other than farming). See instructions for other income to report or if you are a minister or member of a religious order
- 3** Combine lines 1a, 1b, and 2

2

3

82,579.

82,579.

- 4 a** If line 3 is more than zero, multiply line 3 by 92.35% (0.9235). Otherwise, enter amount from line 3
- Note:** If line 4a is less than \$400 due to Conservation Reserve Program payments on line 1b, see instructions.

4 a

76,262.

b If you elect one or both of the optional methods, enter the total of lines 15 and 17 here

4 b

- c** Combine lines 4a and 4b. If less than \$400, **stop**; you don't owe self-employment tax.

4 c

76,262.

- 5 a** Enter your **church employee income** from Form W-2. See instructions for definition of church employee income

5 a

- b** Multiply line 5a by 92.35% (0.9235). If less than \$100, enter -0-

5 b

0.

- 6** Add lines 4c and 5b

6

76,262.

- 7** Maximum amount of combined wages and self-employment earnings subject to social security tax or the 6.2% portion of the 7.65% railroad retirement (tier 1) tax for 2022

7

147,000.

- 8 a** Total social security wages and tips (total of boxes 3 and 7 on Form(s) W-2) and railroad retirement (tier 1) compensation. If \$147,000 or more, skip lines 8b through 10, and go to line 11

8 a

- b** Unreported tips subject to social security tax from Form 4137, line 10

8 b

- c** Wages subject to social security tax from Form 8919, line 10

8 c

- d** Add lines 8a, 8b, and 8c

8 d

- 9** Subtract line 8d from line 7. If zero or less, enter -0- here and on line 10 and go to line 11

9

147,000.

- 10** Multiply the **smaller** of line 6 or line 9 by 12.4% (0.124)

10

9,456.

- 11** Multiply line 6 by 2.9% (0.029)

11

2,212.

- 12** **Self-employment tax.** Add lines 10 and 11. Enter here and on **Schedule 2 (Form 1040), line 4**

12

11,668.

- 13** **Deduction for one-half of self-employment tax.**

Multiply line 12 by 50% (0.50). Enter here and on **Schedule 1 (Form 1040), line 15**

13

5,834.

Part II Optional Methods To Figure Net Earnings (see instructions)

Farm Optional Method. You may use this method **only** if **(a)** your gross farm income⁽¹⁾ wasn't more than \$9,060, **or (b)** your net farm profits⁽²⁾ were less than \$6,540.

- 14** Maximum income for optional methods

14

6,040.

- 15** Enter the **smaller** of: two-thirds (2/3) of gross farm income⁽¹⁾ (not less than zero) **or** \$6,040. Also, include this amount on line 4b above

15

Nonfarm Optional Method. You may use this method **only** if **(a)** your net nonfarm profits⁽³⁾ were less than \$6,540 and also less than 72.189% of your gross nonfarm income,⁽⁴⁾ **and (b)** you had net earnings from self-employment of at least \$400 in 2 of the prior 3 years. **Caution:** You may use this method no more than five times.

- 16** Subtract line 15 from line 14

16

- 17** Enter the **smaller** of: two-thirds (2/3) of gross nonfarm income⁽⁴⁾ (not less than zero) **or** the amount on line 16. Also, include this amount on line 4b above

17

⁽¹⁾ From Sch. F, line 9; and Sch. K-1 (Form 1065), box 14, code B.

⁽³⁾ From Sch. C, line 31; and Sch. K-1 (Form 1065), box 14, code A.

⁽²⁾ From Sch. F, line 34; and Sch. K-1 (Form 1065), box 14, code A — minus the amount you would have entered on line 1b had you not used the optional method.

⁽⁴⁾ From Sch. C, line 7; and Sch. K-1 (Form 1065), box 14, code C.

Form **4797**Department of the Treasury
Internal Revenue Service**Sales of Business Property**
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))Attach to your tax return.
Go to www.irs.gov/Form4797 for instructions and the latest information.

OMB No. 1545-0184

2022Attachment
Sequence No. **27**

Name(s) shown on return

RAFAEL M. AND SONIA R. HERNANDEZ

Identifying number

-**-*

1 a Enter the gross proceeds from sales or exchanges reported to you for 2022 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20. See instructions.**1 a****b** Enter the total amount of gain that you are including on lines 2, 10, and 24 due to the partial dispositions of MACRS assets.**1 b****c** Enter the total amount of loss that you are including on lines 2 and 10 due to the partial dispositions of MACRS assets.**1 c****Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft – Most Property Held More Than 1 Year** (see instructions)

2	(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)

3 Gain, if any, from Form 4684, line 39**3****4** Section 1231 gain from installment sales from Form 6252, line 26 or 37.**4**

123,152.

5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824.**5****6** Gain, if any, from line 32, from other than casualty or theft.**6****7** Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows:**7**

123,152.

Partnerships and S corporations. Report the gain or (loss) following the instructions on Form 1065, Schedule K, line 10, or Form 1120-S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.**Individuals, partners, S corporation shareholders, and all others.** If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you didn't have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.**8** Nonrecaptured net section 1231 losses from prior years. See instructions.**8****9** Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return. See instructions.**9****Part II Ordinary Gains and Losses** (see instructions)**10** Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

11 Loss, if any, from line 7.**11****12** Gain, if any, from line 7 or amount from line 8, if applicable.**12****13** Gain, if any, from line 31.**13****14** Net gain or (loss) from Form 4684, lines 31 and 38a.**14****15** Ordinary gain from installment sales from Form 6252, line 25 or 36.**15****16** Ordinary gain or (loss) from like-kind exchanges from Form 8824.**16****17** Combine lines 10 through 16.**17****18** For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below.**a** If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the loss from income-producing property on Schedule A (Form 1040), line 16. (Do not include any loss on property used as an employee.) Identify as from "Form 4797, line 18a." See instructions.**18 a****b** Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Schedule 1 (Form 1040), Part I, line 4.**18 b****BAA** For Paperwork Reduction Act Notice, see separate instructions.Form **4797** (2022)

Form **8995****Qualified Business Income Deduction
Simplified Computation**

OMB No. 1545-2294

2022Department of the Treasury
Internal Revenue Service

Attach to your tax return.

Go to www.irs.gov/Form8995 for instructions and the latest information.Attachment
Sequence No. **55**

Name(s) shown on return

RAFAEL M. AND SONIA R. HERNANDEZ

Your taxpayer identification number

-**-*

Note. You can claim the qualified business income deduction **only** if you have qualified business income from a qualified trade or business, real estate investment trust dividends, publicly traded partnership income, or a domestic production activities deduction passed through from an agricultural or horticultural cooperative. See instructions.

Use this form if your taxable income, before your qualified business income deduction, is at or below \$170,050 (\$340,100 if married filing jointly), and you aren't a patron of an agricultural or horticultural cooperative.

1	(a) Trade, business, or aggregation name	(b) Taxpayer identification number	(c) Qualified business income or (loss)
i	COCO'S HAIR DESIGNS	***-**-****	76,745.
ii	AVOCADOS - [REDACTED]	[REDACTED]	-48,346.
iii			
iv			
v			

2	Total qualified business income or (loss). Combine lines 1i through 1v, column (c)	2	28,399.	
3	Qualified business net (loss) carryforward from the prior year.	3	0.	
4	Total qualified business income. Combine lines 2 and 3. If zero or less, enter -0-	4	28,399.	
5	Qualified business income component. Multiply line 4 by 20% (0.20)	5		5,680.
6	Qualified REIT dividends and publicly traded partnerships (PTP) income or (loss) (see instructions)	6	0.	
7	Qualified REIT dividends and qualified PTP (loss) carryforward from the prior year.	7	0.	
8	Total qualified REIT dividends and PTP income. Combine lines 6 and 7. If zero or less, enter -0-	8	0.	
9	REIT and PTP component. Multiply line 8 by 20% (0.20)	9		0.
10	Qualified business income deduction before the income limitation. Add lines 5 and 9.	10		5,680.
11	Taxable income before qualified business income deduction (see instructions).	11	54,341.	
12	Net capital gain (see instructions)	12	76,155.	
13	Subtract line 12 from line 11. If zero or less, enter -0-	13	0.	
14	Income limitation. Multiply line 13 by 20% (0.20)	14		0.
15	Qualified business income deduction. Enter the smaller of line 10 or line 14. Also enter this amount on the applicable line of your return (see instructions).	15		0.
16	Total qualified business (loss) carryforward. Combine lines 2 and 3. If greater than zero, enter -0-	16		0.
17	Total qualified REIT dividends and PTP (loss) carryforward. Combine lines 6 and 7. If greater than zero, enter -0-	17		0.

BAA For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form 8995 (2022)

Installment Sale Income

OMB No. 1545-0228

Department of the Treasury
Internal Revenue Service

Attach to your tax return.
Use a separate form for each sale or other disposition of property on the installment method.
Go to www.irs.gov/Form6252 for the latest information.

2022

Attachment
Sequence No. 67

Name(s) shown on return

Identifying number

RAFAEL M. AND SONIA R. HERNANDEZ

-**-*

- 1 Description of property [REDACTED]
- 2a Date acquired (mm/dd/yyyy) 1/26/2006 b Date sold (mm/dd/yyyy) 10/06/2017
- 3 Was the property sold to a related party? See instructions. If "Yes," complete Part III for the year of sale and 2 years after the year of the sale unless you received the final payment during the tax year. ☐ Yes ☒ No
- 4 Reserved for future use ☐ Yes ☒ No

Part I Gross Profit and Contract Price. Complete this part for all years of the installment agreement.

5	Selling price including mortgages and other debts. Don't include interest, whether stated or unstated.	5	400,000.
6	Mortgages, debts, and other liabilities the buyer assumed or took the property subject to (see instructions).	6	
7	Subtract line 6 from line 5.	7	400,000.
8	Cost or other basis of property sold.	8	
9	Depreciation allowed or allowable.	9	
10	Adjusted basis. Subtract line 9 from line 8.	10	
11	Commissions and other expenses of sale.	11	
12	Income recapture from Form 4797, Part III (see instructions).	12	
13	Add lines 10, 11, and 12.	13	
14	Subtract line 13 from line 5. If zero or less, don't complete the rest of this form. See instructions.	14	400,000.
15	If the property described on line 1 above was your main home, enter the amount of your excluded gain. See instructions. Otherwise, enter -0-.	15	0.
16	Gross profit. Subtract line 15 from line 14.	16	400,000.
17	Subtract line 13 from line 6. If zero or less, enter -0-.	17	0.
18	Contract price. Add line 7 and line 17.	18	400,000.

Part II Installment Sale Income. Complete this part for all years of the installment agreement.

19	Gross profit percentage (expressed as a decimal amount). Divide line 16 by line 18 for years after the year of sale, see instructions.	19	0.4450
20	If this is the year of sale, enter the amount from line 17. Otherwise, enter -0-.	20	0.
21	Payments received during year (see instructions). Don't include interest, whether stated or unstated.	21	276,747.
22	Add lines 20 and 21.	22	276,747.
23	Payments received in prior years (see instructions). Don't include interest, whether stated or unstated.	23	123,253.
24	Installment sale income. Multiply line 22 by line 19.	24	123,152.
25	Enter the part of line 24 that is ordinary income under the recapture rules. See instructions.	25	
26	Subtract line 25 from line 24. Enter here and on Schedule D or Form 4797. See instructions.	26	123,152.

Part III Related Party Installment Sale Income. **Don't** complete if you received the final payment this tax year.

27 Name, address, and taxpayer identifying number of related party

28 Did the related party resell or dispose of the property ("second disposition") during this tax year? ☐ Yes ☒ No

29 If the answer to question 28 is "Yes," complete lines 30 through 37 below unless one of the following conditions is met. Check the box that applies.

- a ☐ The second disposition was more than 2 years after the first disposition (other than dispositions of marketable securities). If this box is checked, enter the date of disposition (mm/dd/yyyy)
- b ☐ The first disposition was a sale or exchange of stock to the issuing corporation.
- c ☐ The second disposition was an involuntary conversion and the threat of conversion occurred after the first disposition.
- d ☐ The second disposition occurred after the death of the original seller or buyer.
- e ☐ It can be established to the satisfaction of the IRS that tax avoidance wasn't a principal purpose for either of the dispositions. If this box is checked, attach an explanation. See instructions.

30	Selling price of property sold by related party (see instructions).	30	
31	Enter contract price from line 18 for year of first sale.	31	
32	Enter the smaller of line 30 or line 31.	32	
33	Total payments received by the end of your 2022 tax year (see instructions).	33	
34	Subtract line 33 from line 32. If zero or less, enter -0-.	34	
35	Multiply line 34 by the gross profit percentage on line 19 for year of first sale.	35	
36	Enter the part of line 35 that is ordinary income under the recapture rules. See instructions.	36	
37	Subtract line 36 from line 35. Enter here and on Schedule D or Form 4797. See instructions.	37	

Premium Tax Credit (PTC)

OMB No. 1545-0074

Department of the Treasury
Internal Revenue ServiceAttach to Form 1040, 1040-SR, or 1040-NR.
Go to www.irs.gov/Form8962 for instructions and the latest information.**2022**
Attachment
Sequence No. **73**

Name shown on your return

RAFAEL M. AND SONIA R. HERNANDEZ

Your social security number

-**-**

A You cannot take the PTC if your filing status is married filing separately unless you qualify for an exception. See instructions. If you qualify, check the box ☐**Part I Annual and Monthly Contribution Amount**

1	Tax family size. Enter your tax family size. See instructions.		1	2
2a	Modified AGI. Enter your modified AGI. See instructions.	2a	82,361.	
b	Enter the total of your dependents' modified AGI. See instructions.	2b		
3	Household income. Add the amounts on lines 2a and 2b. See instructions.		3	82,361.
4	Federal poverty line. Enter the federal poverty line amount from Table 1-1, 1-2, or 1-3. See instructions. Check the appropriate box for the federal poverty table used. a ☐ Alaska b ☐ Hawaii c ☒ Other 48 states and DC		4	17,420.
5	Household income as a percentage of federal poverty line (see instructions).		5	401 %
6	Reserved for future use.			
7	Applicable figure. Using your line 5 percentage, locate your "applicable figure" on the table in the instructions.		7	0.0850
8a	Annual contribution amount. Multiply line 3 by line 7. Round to nearest whole dollar amount	8a	7,001.	
b	Monthly contribution amount. Divide line 8a by 12. Round to nearest whole dollar amount	8b	583.	

Part II Premium Tax Credit Claim and Reconciliation of Advance Payment of Premium Tax Credit

- 9 Are you allocating policy amounts with another taxpayer or do you want to use the alternative calculation for year of marriage? See instructions.
☐ Yes. Skip to Part IV, Allocation of Policy Amounts, or Part V, Alternative Calculation for Year of Marriage. ☒ **No.** Continue to line 10.
- 10 See the instructions to determine if you can use line 11 or must complete lines 12 through 23.
☒ **Yes.** Continue to line 11. Compute your annual PTC. Then skip lines 12-23 and continue to line 24.
☐ **No.** Continue to lines 12-23. Compute your monthly PTC and continue to line 24.

Annual Calculation	(a) Annual enrollment premiums (Form(s) 1095-A, line 33A)	(b) Annual applicable SLCSP premium (Form(s) 1095-A, line 33B)	(c) Annual contribution amount (line 8a)	(d) Annual maximum premium assistance (subtract (c) from (b); if zero or less, enter -0-)	(e) Annual premium tax credit allowed (smaller of (d) or (c))	(f) Annual advance payment of PTC (Form(s) 1095-A, line 33C)
11 Annual Totals	25,621.	27,092.	7,001.	20,091.	20,091.	21,604.
Monthly Calculation	(a) Monthly enrollment premiums (Form(s) 1095-A, lines 21-32, column A)	(b) Monthly applicable SLCSP premium (Form(s) 1095-A, lines 21-32, column B)	(c) Monthly contribution amount (amount from line 8b or alternative marriage method calculation)	(d) Monthly maximum premium assistance (subtract (c) from (b); if zero or less, enter -0-)	(e) Monthly premium tax credit allowed (smaller of (d) or (c))	(f) Monthly advance payment of PTC (Form(s) 1095-A, lines 21-32, column C)
12 January						
13 February						
14 March						
15 April						
16 May						
17 June						
18 July						
19 August						
20 September						
21 October						
22 November						
23 December						

24	Total premium tax credit. Enter the amount from line 11(e) or add lines 12(e) through 23(e) and enter the total here.	24	20,091.
25	Advance payment of PTC. Enter the amount from line 11(f) or add lines 12(f) through 23(f) and enter the total here.	25	21,604.
26	Net premium tax credit. If line 24 is greater than line 25, subtract line 25 from line 24. Enter the difference here and on Schedule 3 (Form 1040), line 9. If line 24 equals line 25, enter -0-. Stop here. If line 25 is greater than line 24, leave this line blank and continue to line 27.	26	

Part III Repayment of Excess Advance Payment of the Premium Tax Credit

27	Excess advance payment of PTC. If line 25 is greater than line 24, subtract line 24 from line 25. Enter the difference here.	27	1,513.
28	Repayment limitation (see instructions).	28	
29	Excess advance premium tax credit repayment. Enter the smaller of line 27 or line 28 here and on Schedule 2 (Form 1040), line 2.	29	1,513.

Part IV Allocation of Policy Amounts

Complete the following information for up to four policy amount allocations. See instructions for allocation details.

Allocation 1

30 (a) Policy Number (Form 1095-A, line 2)	(b) SSN of other taxpayer	(c) Allocation start month	(d) Allocation stop month
Allocation percentage applied to monthly amounts	(e) Premium Percentage	(f) SLCSP Percentage	(g) Advance Payment of the PTC Percentage

Allocation 2

31 (a) Policy Number (Form 1095-A, line 2)	(b) SSN of other taxpayer	(c) Allocation start month	(d) Allocation stop month
Allocation percentage applied to monthly amounts	(e) Premium Percentage	(f) SLCSP Percentage	(g) Advance Payment of the PTC Percentage

Allocation 3

32 (a) Policy Number (Form 1095-A, line 2)	(b) SSN of other taxpayer	(c) Allocation start month	(d) Allocation stop month
Allocation percentage applied to monthly amounts	(e) Premium Percentage	(f) SLCSP Percentage	(g) Advance Payment of the PTC Percentage

Allocation 4

33 (a) Policy Number (Form 1095-A, line 2)	(b) SSN of other taxpayer	(c) Allocation start month	(d) Allocation stop month
Allocation percentage applied to monthly amounts	(e) Premium Percentage	(f) SLCSP Percentage	(g) Advance Payment of the PTC Percentage

34 Have you completed all policy amount allocations?

☐ **Yes.** Multiply the amounts on Form 1095-A by the allocation percentages entered by policy. Add all allocated policy amounts and non-allocated policy amounts from Forms 1095-A, if any, to compute a combined total for each month. Enter the combined total for each month on lines 12–23, columns (a), (b), and (f). Compute the amounts for lines 12–23, columns (c)–(e), and continue to line 24.

☐ **No.** See the instructions to report additional policy amount allocations.

Part V Alternative Calculation for Year of Marriage

Complete line(s) 35 and/or 36 to elect the alternative calculation for year of marriage. For eligibility to make the election, see the instructions for line 9. To complete line(s) 35 and/or 36 and compute the amounts for lines 12–23, see the instructions for this Part V.

35 Alternative entries for your SSN	(a) Alternative family size	(b) Alternative monthly contribution amount	(c) Alternative start month	(d) Alternative stop month
36 Alternative entries for your spouse's SSN	(a) Alternative family size	(b) Alternative monthly contribution amount	(c) Alternative start month	(d) Alternative stop month

Form 8962 (2022)

Expenses for Business Use of Your Home

File only with Schedule C (Form 1040). Use a separate Form 8829 for each home you used for business during the year.

Go to www.irs.gov/Form8829 for instructions and the latest information.

2022

Attachment
Sequence No. 176Department of the Treasury
Internal Revenue Service

Name(s) of proprietor(s)

SONIA R. HERNANDEZ

Your social security number

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Part I Part of Your Home Used for Business

1	Area used regularly and exclusively for business, regularly for daycare, or for storage of inventory or product samples (see instructions).....	1	180
2	Total area of home.....	2	1,180
3	Divide line 1 by line 2. Enter the result as a percentage.....	3	15.25 %
For daycare facilities not used exclusively for business, go to line 4. All others, go to line 7.			
4	Multiply days used for daycare during year by hours used per day.....	4	hr
5	If you started or stopped using your home for daycare during the year, see instructions; otherwise, enter 8,760.....	5	hr
6	Divide line 4 by line 5. Enter the result as a decimal amount.....	6	
7	Business percentage. For daycare facilities not used exclusively for business, multiply line 6 by line 3 (enter the result as a percentage). All others, enter the amount from line 3.....	7	15.25 %

Part II Figure Your Allowable Deduction

8	Enter the amount from Schedule C, line 29, plus any gain derived from the business use of your home, minus any loss from the trade or business not derived from the business use of your home. See instructions.	8	85,679.
See instructions for columns (a) and (b) before completing lines 9-22.			
	(a) Direct expenses	(b) Indirect expenses	
9	Casualty losses (see instructions).....	9	
10	Deductible mortgage interest (see instructions).....	10	
11	Real estate taxes (see instructions).....	11	
12	Add lines 9, 10, and 11.....	12	
13	Multiply line 12, column (b), by line 7.....	13	
14	Add line 12, column (a), and line 13.....	14	
15	Subtract line 14 from line 8. If zero or less, enter -0-.....	15	85,679.
16	Excess mortgage interest (see instructions).....	16	15,162.
17	Excess real estate taxes (see instructions).....	17	2,168.
18	Insurance.....	18	
19	Rent.....	19	
20	Repairs and maintenance.....	20	
21	Utilities.....	21	3,000.
22	Other expenses (see instructions).....	22	
23	Add lines 16 through 22.....	23	20,330.
24	Multiply line 23, column (b), by line 7.....	24	3,100.
25	Carryover of prior year operating expenses (see instructions).....	25	
26	Add line 23, column (a), line 24, and line 25.....	26	3,100.
27	Allowable operating expenses. Enter the smaller of line 15 or line 26.....	27	3,100.
28	Limit on excess casualty losses and depreciation. Subtract line 27 from line 15.....	28	82,579.
29	Excess casualty losses (see instructions).....	29	
30	Depreciation of your home from line 42 below.....	30	
31	Carryover of prior year excess casualty losses and depreciation (see instructions).....	31	
32	Add lines 29 through 31.....	32	
33	Allowable excess casualty losses and depreciation. Enter the smaller of line 28 or line 32.....	33	
34	Add lines 14, 27, and 33.....	34	3,100.
35	Casualty loss portion, if any, from lines 14 and 33. Carry amount to Form 4684. See instructions.....	35	
36	Allowable expenses for business use of your home. Subtract line 35 from line 34. Enter here and on Schedule C, line 30. If your home was used for more than one business, see instructions.....	36	3,100.

Part III Depreciation of Your Home

37	Enter the smaller of your home's adjusted basis or its fair market value. See instructions.....	37	
38	Value of land included on line 37.....	38	
39	Basis of building. Subtract line 38 from line 37.....	39	
40	Business basis of building. Multiply line 39 by line 7.....	40	
41	Depreciation percentage (see instructions).....	41	%
42	Depreciation allowable (see instructions). Multiply line 40 by line 41. Enter here and on line 30 above.....	42	

Part IV Carryover of Unallowed Expenses to 2023

43	Operating expenses. Subtract line 27 from line 26. If less than zero, enter -0-.....	43	0.
44	Excess casualty losses and depreciation. Subtract line 33 from line 32. If less than zero, enter -0-.....	44	0.

2022

Federal Statements

Page 1

RAFAEL M. AND SONIA R. HERNANDEZ

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Statement 1
Schedule 1, Line 8z
Other Income

USA AG SUPPLIES.....	\$	17,494.
Total	\$	<u>17,494.</u>

Statement 2
Schedule E, Line 19 - XXXXXXXXXXXXXXXXXXXX
Other Rental and Royalty Expenses

Painting and Decorating.....	\$	11,800.
Total	\$	<u>11,800.</u>

DO NOT MAIL